



## News and Press Releases

### **Minnesota company pleads guilty to failing to disclose emissions violations**

FOR IMMEDIATE RELEASE

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MINNEAPOLIS—Earlier today in federal court in Minneapolis, Spectro Alloys Corporation (“Spectro”), a Minnesota company that operates a secondary aluminum processing facility in Rosemount, Minnesota, pleaded guilty to two counts of violating the federal false statements statute. The plea related to Spectro’s failure to disclose violations of limits placed on its emissions of hazardous air pollutants under the Clean Air Act. Today’s plea was announced by B. Todd Jones, United States Attorney for the District of Minnesota, and Randall Ashe, Special Agent-in-Charge of the U.S. Environmental Protection Agency’s (“EPA”) criminal enforcement program in Chicago. Spectro was charged in April of 2012 and today entered its plea and was sentenced by U.S. District Court Judge John R. Tunheim.

According to the documents filed in this case, Spectro processes large quantities of various types of scrap metal, which are melted in two large industrial furnaces before being processed into aluminum alloys. The furnaces and other equipment at the Spectro facility are typically found in secondary aluminum reprocessing facilities but can be sources of various hazardous air pollutants. As a result, the emissions from Spectro’s equipment, including its furnaces, are regulated under the federal Clean Air Act, and the company is required to operate subject to a permit that sets out the legal limits for emissions of pollutants. The permit also requires the company to disclose to the EPA and the Minnesota Pollution Control Agency (“MPCA”) all instances known where emissions exceed those limits.

Spectro admitted that in May of 2007, it submitted a semi-annual compliance report to both the MPCA and the EPA that falsely indicated that its facility was in compliance with all pollution limits. The company failed to disclose that its own testing had revealed excessive dioxin/furans emissions. Spectro further admitted that in a letter sent to the EPA in March of 2007, which was submitted in response to a violation notice issued by the EPA, the company also knowingly failed to disclose those excessive dioxin/furan emissions.

The plea agreement entered in this case requires Spectro to pay a criminal fine of \$500,000. The company was also placed on probation for two years. Moreover, the company was ordered to

develop, implement, and maintain procedures to ensure complete and accurate reporting in the future. In addition, Spectro must retain a full-time environmental health and safety manager and report to both the MPCA and EPA the results of all emissions testing, whether or not required by law. Spectro is also required under the terms of the parallel civil settlement summarized below to install additional pollution-control equipment relating to its emissions.

“In order to safeguard public health, it is absolutely essential that government officials assure compliance with environmental regulations through accurate testing, measurement, and honest reporting,” said Ashe, whose region includes Minnesota. “Violators who submit false information undermine our efforts to protect the public and the environment. Today’s guilty plea should serve as a warning to anyone who knowingly puts the public’s health at risk: you will be prosecuted to the fullest extent of the law.”

The criminal case is the result of an investigation by the EPA’s Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney David M. Genrich and EPA Regional Criminal Enforcement Counsel James J. Cha.

In addition to today’s guilty plea, the United States recently reached a settlement with Spectro regarding civil claims filed by the EPA for alleged violations of the Clean Air Act and civil administrative claims of the EPA for alleged violations of the Resource Conservation and Recovery Act. The civil settlement, embodied in a consent decree, is awaiting final court approval.

The consent decree resolves allegations that in 2009, the company emitted dioxin/furans and hydrochloric acid in amounts exceeding federal emissions limits; that the company failed to install, operate, and inspect an adequate system to capture and treat its emissions; and that between 2004 and 2008, it violated various Clean Air Act regulations regarding monitoring, reporting, and temperature maintenance. The consent decree also settles alleged violations of the Resource Conservation and Recovery Act for operating a hazardous waste storage facility without a permit or interim status and failing to comply with hazardous waste management requirements at the Spectro facility.

Under the proposed consent decree, Spectro will pay a civil penalty of \$600,000, install additional pollution control equipment, conduct additional emissions testing, and accurately comply with all reporting requirements.

The civil case arose from an investigation by the EPA’s Air and Radiation Division and Land and Chemicals Division in the Region 5 office in Chicago. It was handled by Assistant U.S. Attorney Friedrich A.P. Siekert of the U.S. Attorney’s Office in the District of Minnesota and trial attorney Nigel Cooney of the Environment Enforcement Section, U.S. Department of Justice, Environment and Natural Resources Division.